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Report of the Ad hoc Expert Group on the Finance and Transfer of Environmentally Sound Technologies (15 -19 December 2003, Geneva)

Summary

At its meeting held from 15 to 19 December 2003 at Geneva, the Ad Hoc Expert Group considered previous initiatives on finance and transfer of environmentally sound technologies for sustainable forest management. Particular attention was given to good practices and lessons learned from existing initiatives, as well as to constraints affecting the effectiveness and efficiency of current financing and transfer of environmentally sound technologies. The Ad Hoc Expert Group completed its deliberations by proposing a number of recommendations for improving the transfer of environmentally sound technologies for the consideration of the United Nations Forum on Forests at its fourth session, that are divided into recommendations directed at Member States, members of the Collaborative Partnership on Forests and the Forum itself. Recommendations to the Forum at its current session for improving the financing of sustainable forest management are directed at the national and international levels, both within and outside the forest sector.

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I. Background

1. The United Nations Forum on Forests, at its third session, held at Geneva from 26 May to 6 June 2003, agreed to recommend to the Economic and Social Council the establishment of an ad hoc expert group on the finance and transfer of environmentally sound technologies. By its decision 2003/299, the Economic and Social Council decided to establish the Ad Hoc Expert Group on the Finance and Transfer of Environmentally Sound Technologies. Under the terms of reference of the Ad Hoc Expert Group, as contained in the annex, section B, to that decision, the group will undertake the following specific tasks:

Finance

(a) Consider previous initiatives on finance, including recommendations from the Croydon, Oslo and Pretoria workshops, as well as the relevant IPF/IFF proposals for action, background papers and strategy documents of member organizations of the Collaborative Partnership on Forests;

(b) Assess the role and status of official development assistance (ODA) directed towards sustainable forest management and consider ways for enhancing its availability and effectiveness; in this regard, identify possible means to enhance the efforts of developed countries to fulfil their commitments on ODA;

(c) Review the effectiveness of existing international financing for sustainable forest management, including methods and mechanisms; analyse opportunities, country-level gaps, limitations and donor and recipient priorities, as well as the contribution of the Collaborative Partnership on Forests towards financing sustainable forest management; propose measures to improve the effectiveness of that financing for enhancing the enabling environment at both the national and international levels and to attract increased financing from all sources;

(d) Explore the potential of new and innovative approaches to attract increased financing for sustainable forest management; discuss and make suggestions for expanded use of those approaches to address the need for financial resources for financing sustainable forest management, including through national forest programmes or equivalent processes;

(e) Assess country experiences in the mobilization of financial resources to support sustainable forest management; in this regard, identify gaps in, and the potentials and limitations of, current financing sources and financial mechanisms in implementing sustainable forest management; propose approaches to enhance and more effectively use and mobilize national and international financial resources;

(f) Assess and consider the role of the private sector in financing sustainable forest management; in this regard, recommend measures to improve the enabling environment for private investment in sustainable forest management, at both the national and international levels; and encourage increased private resource flows to the forest sector, in particular in developing countries and countries with economies in transition.

Transfer of environmentally sound technologies

(g) Review and assess existing initiatives on the transfer of environmentally sound technologies and knowledge diffusion for the promotion of sustainable forest

management among countries and sectors and stakeholders, including through North-South, North-North and South-South cooperation and programmes of member organizations of the Collaborative Partnership on Forests. This should include an analysis of incentives that promote, and obstacles that inhibit, the transfer of forest-related environmentally sound technologies between and/or within countries, in particular to developing countries and countries with economies in transition, in both the private and public sectors;

(h) Recommend approaches to improve transfer of forest-related environmentally sound technologies. The recommendation may include the role of various policy instruments, such as concessional and preferential terms, public/private partnerships and research cooperation, as well as capacity-building in the use and application of current and emerging environmentally sound technologies, including remote sensing.

II. Organizational matters

A. Venue and duration of the meeting

2. The meeting of the Ad Hoc Expert Group took place at Geneva from 15 to 19 December 2003.

B. Attendance and participation

3. The Forum agreed that the Ad Hoc Expert Group would be made up of 30 experts, with six from each of the five United Nations regional groups and including representatives of developed and developing countries and countries with economies in transition. In accordance with Economic and Social Council decision 2003/299, the first two days of the meeting were open to participation by representatives of the States Members of the United Nations Forum on Forests, who remained as observers for the last three days of the meeting. Members of the Collaborative Partnership on Forests participated in a resource capacity, and were invited to make scientific and technical contributions.

4. Other intergovernmental organizations and representatives of major groups with relevant expertise participated in the meeting in accordance with the rules and procedures of the functional commissions of the Economic and Social Council, as well as practices established by the Commission on Sustainable Development, the Intergovernmental Panel on Forests (IPF) and the Intergovernmental Forum on Forests (IFF). They were invited to make scientific and technical contributions.

5. A full list of participants can be found in annex I to the present report.

C. Election of officers

6. The experts elected Knut Oistad as the Chairman of the Ad Hoc Expert Group.

7. To assist him in the finalization of the report, the Chair established a drafting group consisting of one representative from each regional group. The Chair invited Benedicto Fonseca Filho and Jan McAlpine to act as co-facilitators of the drafting

group. The members of the drafting group included Modesto Fernandez, Joseph Hailwa, Christian Mersmann, Anatoli Petrov and W. R. Wickramasinghe.

D. Documentation

8. In carrying out its deliberations, the group considered three official documents: (a) the provisional agenda, (b) the note by the Secretariat on financing for sustainable forest management: current challenges in the changed financial environment and (c) the note by the Secretariat on transfer of environmentally sound technologies for sustainable forest management: an overview. It also considered the technical background documentation listed in annex II to the present report.

E. Conduct of the meeting

Opening of the meeting

9. On 15 December 2003, Pekka Patosaari, Coordinator and head of the secretariat of the United Nations Forum on Forests, opened the meeting. He provided an overview of the Forum process and the establishment of the ad hoc experts groups. He stressed the importance of the finance and transfer of environmentally sound technologies in the work of the Forum and in promoting sustainable forest management. He also highlighted the expectations of the international community that that Expert Group would effectively and efficiently tackle its tasks and provide concrete and practical recommendations to the Forum.

Discussions

10. The participants had a general exchange of views and then addressed in greater detail the mandated tasks of the group. That enabled the drafting group to put forward a draft report which reflected the productive discussions of the group. The report was adopted by the Ad Hoc Expert Group on 19 December.

Closure of the meeting

11. In his closing statement, Mr. Patosaari congratulated the Ad Hoc Expert Group for its successful deliberations and emphasized the importance of its work for the Forum.

III. Matters for consideration by the United Nations Forum on Forests: summary of challenges and proposals and recommendations

A. General comments

12. The Ad Hoc Expert Group welcomed the note by the Secretariat on transfer of environmentally sound technologies for sustainable forest management: an overview (E/CN.18/AC.2/2003/3), and the note by the Secretariat on financing for sustainable forest management: current challenges in the changed financial environment

(E/CN.18/AC.2/2003/2). It also welcomed the technical background papers that were prepared for the meeting (see annex II).

13. In its deliberations, the Ad Hoc Expert Group agreed to the following:

1. International level

14. The definition for environmentally sound technologies in chapter 34 of Agenda 21 and the Intergovernmental Panel on Climate Change definition of technology transfer provided the context for determining the scope of the work of the Ad Hoc Expert Group on the transfer of environmentally sound technologies.

15. The contribution of sustainable forest management to achieving sustainable development goals, including poverty eradication, should be greatly enhanced through improved transfer of relevant environmentally sound technologies, increased efficiency in financial resources allocation and increased financial flows.

16. The finance and transfer of environmentally sound technologies are closely linked and the transfer of environmentally sound technologies has often been constrained by inadequate financing.

17. With regard to the barriers hindering the financing and transfer of environmentally sound technologies for sustainable forest management, it was concluded that those issues have to be addressed within the context of factors that take place outside the forest sector, inside the forest sector and those that have direct impact on finance and transfer of environmentally sound technologies.

18. The essential role played by international organizations in promoting the transfer of environmentally sound technologies and in increased financing remains of strategic importance. The collaboration of the Collaborative Partnership on Forests is particularly important in that regard at the national and international levels.

19. Cooperative networks of research and educational institutions and among those in developing countries and countries with economies in transition should be strengthened. Particular attention should be paid to enhancing the capacity of developing countries to take advantage of existing and emerging opportunities.

20. The primary importance of North-South cooperation in the transfer of environmentally sound technologies and financing for sustainable forest management was underlined. At the same time the group noted the significance of South-South, South-North and North-North cooperation.

2. National level

21. Countries have the sovereign responsibility for their resources and in that context should assess the needs and support required for technology and knowledge diffusion, particularly at the local level.

22. An enabling environment is needed for the finance, transfer of environmentally sound technologies and capacity-building for sustainable forest management, including good governance, transparency, effective environmental policies, regulations and their application, and the appropriate management frameworks at the national level, giving full consideration to country situations.

23. The transfer of environmentally sound technologies and finance for sustainable forest management need to be closely linked to the priorities and needs established in national forest programmes, or their equivalent. They can provide a policy and institutional framework for promoting the transfer of environmentally sound technologies and financing for sustainable forest management. Moreover, the transfer of such technologies needs to be incorporated as a priority in national development plans.

24. Capacity-building, including extension services, for improved transfer and application of environmentally sound technologies and their financing are essential, particularly for developing countries and countries with economies in transition.

25. There is an extremely important relationship between financing and the use of appropriate environmentally sound technologies and the need for training and education of not only those using the technologies, but also to increase the broader understanding and support of the public, as the implementers of sustainable forest management.

26. While the role of Governments remains essential, there is a new atmosphere of support for the full engagement and participation of stakeholders, including local communities, the private sector, indigenous groups, youth and women as primary managers and users of forests and forest products, in the exchange of knowledge, information, research, experiences and innovative practices related to sustainable forest management.

27. A number of areas were identified where industry and technology institutions play an important role. Those include socially and environmentally sound management systems, remote sensing and geographic information system (GIS) technologies, pulp and paper technology, bioenergy production technology and biotechnology development for a wide range of forest products, including non-wood products. Industry can provide assistance in addressing the competitiveness of environmentally sound technologies utilized in industrial applications.

28. A number of ongoing initiatives at the local and national levels in promoting increased financing and transfer of environmentally sound technologies provide a rich contribution to facilitating more effectively both financing and transfer of such technologies at the international level.

29. The Forum needs to find more effective ways to tap into country experiences on financing and transfer of environmentally sound technology in its intersessional meetings and at its sessions. It can also provide a facilitation and coordination role to advance the effective transfer and use of environmentally sound technologies (including knowledge diffusion) and the leveraging of financing to support the implementation of the IPF/IFF proposals for action.

B. Initiatives and approaches

1. Good practices and lessons learned from existing initiatives

30. The Ad Hoc Expert Group pointed to the wide range of processes, initiatives and organizational experiences that could be drawn upon with respect to the transfer of environmentally sound technologies. A number of them are described in the note by the Secretariat and in the technical background documents. In addition to the

initiatives outlined in the background papers, the group also discussed many others as experienced by the experts. Drawing upon those papers and their own experiences, the Ad Hoc Expert Group highlighted the experiences and lessons learned described below.

31. Bringing together principal stakeholders, including Governments, international organizations, local communities, the private sector, major groups and non-governmental organizations (NGOs), partnerships can provide an effective vehicle for applying integrated approaches for sustainable forest management and the transfer and application of relevant environmentally sound technologies, e.g., the Congo Basin Forest Partnership. The innovation of that initiative is in bringing together 29 partners, including Governments, industry, NGOs, international and research organizations to focus on priority actions in a regional area for sustainable forest management. The heart of the initiative is focused on commitments made by Governments in the region through an intergovernmental process called the Conference of Ministers for the Forests of Central Africa (COMIFAC) and focusing on the Convergence Plan. However, each partner was given the flexibility to use its own financial mechanisms and ascertain its own financial commitments — though new resources were a requirement. The Partnership exists in a virtual sense — it is not an institution, it is established to complement and not compete with existing national, regional and international bodies that exist to address similar issues. The Partnership is committed to facilitating cooperation, enhancing technology transfer (including knowledge diffusion) and financing for the significant forests of Central Africa — the second largest tropical forest in the world.

32. Another example of the use of partnerships as a catalyst for increasing synergies and reducing duplication among existing initiatives is the Asia Forest Partnership, which is providing a framework for the exchange of information and experiences to be followed by concrete actions. It is focused on combating illegal logging, preventing forest fires, and rehabilitation and reforestation of degraded lands. Partners are synthesizing, reviewing, deriving and disseminating lessons from current and past projects. In one example of the benefits of such partnership work by compiling information, gaps and duplications in training, resources can be identified which would further lead to collaborative development of training.

33. Model forests provide a vehicle for the successful transfer of environmentally sound technologies for sustainable forest management. The International Model Forest Network is an initiative that aims to develop refined practices for sustainable forest management. The Network is made up of more than 30 model forests in 13 countries and continues to grow. Model forests are defined by specific attributes. The principles under which they operate are similar to those of national forest programmes but at a landscape rather than at a national level. The transfer of environmentally sound technologies for sustainable forest management happens within individual model forests among partners, as well as among model forests within the global network. Model forests and their network also attract funding. Synergies that flow from collaboration among partners and the coherence of the model forests governance structure serve as a positive influence in increasing financial support both internally and externally for sustainable forest management.

34. Demand for information and knowledge management services provided by the National Forest Programme Facility hosted by FAO has been quickly increasing since 2002, when the Facility was initiated. As a partnership between a number of

developing countries, donors, NGOs and the business community, the Facility specializes in the provision of information and knowledge on national forest programme processes and lessons learned from field experience. These are enhanced through catalytic support inputs based on the expressed demand of partner countries, civil society stakeholders and other key players in Programme processes. Currently, some 30 countries have made partnership agreements with the Facility. At a more general level, some 100 countries will be serviced by mid-2004 with process-related knowledge dissemination, including making country-specific information available in the public domain to support global learning.

35. Lessons will be learned increasingly from country experiences in formulating policies and strategies for resource mobilization and accessing both appropriate technologies and financing for investments for projects and programmes aimed at sustainable forest management. In those efforts, expert approaches are required that embrace governance issues, financing criteria, and a focus on forest-dependent people and community livelihoods in the rural development framework. The Programme on Forests hosted by the World Bank specializes in those areas of expertise. The work carried out by that Programme in cooperation with some 15 partner countries is envisaged to improve the implementation of forest policies and programmes. The lessons learned from field experiences will be synthesized and placed for wide use and eventual replication in the information and knowledge management systems administered by both the Programme on Forests and the National Forest Programme Facility. The two initiatives share a common strategy and are instructed by their owners to collaborate fully in the overall context of the Collaborative Partnership on Forests.

36. Examples of the dissemination of knowledge and environmentally sound technologies can be found in international organizations that bring together producers and users: one example is the International Network for Bamboo and Rattan, a recently established international organization which currently has 27 member countries and focuses on South-South cooperation. Resource improvement and management, processing and product technology, national and international policy development, and human resources development, with a focus on technology transfer among developing countries, work to improve the well-being of producers and users of bamboo and rattan within the context of a sustainable bamboo and rattan resource base by consolidating, coordinating and supporting strategic and adaptive research and development: lack of financing for those kinds of activities remains an impediment to achieving those objectives.

37. Strong cooperation and collaboration between neighbouring countries sharing similar environmental conditions can lead to positive exchange of experiences, lessons learned and scientific, technical and technological knowledge for sustainable forest management. A good example of that kind of South-South cooperation exists between Argentina and Chile, both of which share the Andean/Patagonia region, where the countries have cooperated informally over several years. Capacity-building is being strengthened with the participation of research centres, institutions, and universities; research projects have been promoted; knowledge on ecosystems has been obtained; silviculture and forest management has improved; investments in tourism have been facilitated; criteria for concessions of all types have been exchanged; protected areas have been strengthened; and, in general, there has been an improvement of discussions at the local level leading to higher-quality decisions

regarding forests. That informal cooperation between the two countries has a high commitment from both the Governments and donors.

38. The effective engagement of indigenous communities in sustainable development initiatives can contribute greatly to the development and long-term application of environmentally sound technologies based on traditional knowledge. The Project for the Integrated Management of Andean Ecosystems brings together provincial and local authorities, the indigenous community and the local university in an initiative for the sustainable management of the natural resource base of communal lands in the Cajamarca Valley in northern Peru for the social and economic benefit of the region's indigenous people. An integrated system of environmentally sound technologies based on traditional knowledge was developed for land rehabilitation, management of hydrological resources, agriculture and reforestation. At the core of the project was the use of native trees species, particularly those which served multi-purposes. Model farms providing extension services were established on farms operated by indigenous farmers. Over 200 publications were generated by the project, most being in comic book form directed at the indigenous community. The project is currently integrated into the provincial and local development plans. During the past decade, the project provided the basis for reforestation projects with native tree species involving local communities throughout Peru.

2. Constraints inhibiting the transfer of environmentally sound technologies for sustainable forest management

39. There are a number of constraints affecting transfer of environmentally sound technologies, which include limited financial resources, institutional and policy constraints, human resources problems, and limited access to information on environmentally sound technologies and knowledge for sustainable forest management. There are also multiple reasons why interest groups do not always want to see environmentally sound technologies applied. Inadequate support for research and development, and insufficient outreach programmes involving the private sector and local communities are other constraints. Inappropriate regulations favouring short-term profits over long-term sustainability and unfavourable land tenure regimes can also become constraints affecting the transfer of environmentally sound technologies. Constraints affecting the transfer of such technologies include:

Financial constraints

- Shortage of local financial resources for transferring environmentally sound technologies to sustainable forest management, precisely in those countries where forests are under threat
- High cost of and limited financial resources for acquiring, using and maintaining technologies, including the promotion of the transfer of environmentally sound technologies and capacity-building for the development of know-how
- Priorities other than forests, including urgent human demands, such as shortages of food and human health
- High opportunity costs, particularly in agriculture, for alternative land uses

- Absence of enabling market conditions and proper valuation and prices reflecting the values of wood and non-wood forest products

Institutional, policy and regulatory constraints

- Slow responses in addressing issues such as decentralization, the growing role of local communities in forest management and shifts in financial sources, which impact on sustainable forest management
- Absence of, as well as inadequate and inappropriate policies and laws at the national level for promoting the transfer of environmentally sound technologies, including inadequate integration of sustainable forest management issues and concerns into national, sectoral, regional and local development plans, and lack of inclusion in national poverty-alleviation strategies
- Ineffective management at various levels and inefficient institutions at the national level addressing environmentally sound technologies

Capacity-building constraints

- Lack of capacity and strategies to assess, select, import and adapt environmentally sound technologies
- Limited research and development facilities in developing countries and countries with economies in transition, as well as insufficient support for research and development of environmentally sound technologies for sustainable forest management in many countries
- Inadequate information management systems and limited access to information systems at the international level
- Limited human capacity
- Monitoring the application and effectiveness of environmentally sound technologies

Enabling environment constraints

- Absence of, or inadequate, enabling environment, founded on good governance, for sustainable forest management, including one that enables the transfer of technologies and proprietary aspects of these technologies, provide clarity concerning land tenure and property rights, tax incentives, as well as policies and regulations in support of environmental approaches
- Lack of transparency and facilitatory processes at all levels of society, including with industry, NGOs, forest-dependent communities and others, in the identification of needs and priorities for environmentally sound technologies
- Political instability and conflict
- Absence of political will and commitment to sustainable forest management or even to the forest sector
- Interest groups outside the sector limiting transfers of environmentally sound technologies

- Lack of markets and research and development for promotion of sustainable use of non-timber forest products and lesser-used timber species
- Shortcomings in promoting demand for environmentally sound technologies and of client identification

C. Recommendations to the United Nations Forum on Forests for improving the transfer of environmentally sound technologies for sustainable forest management

1. Proposals for recommendations by the United Nations Forum on Forests to Member States and members of the Collaborative Partnership on Forests

40. **In order to support the transfer of environmentally sound technologies to and within countries, the Ad Hoc Expert Group strongly advises the United Nations Forum on Forests to recommend to Member States and members of the Collaborative Partnership on Forests to consider the adoption of the following actions:**

(a) **Provide assistance to institutional and human capacity-building in developing countries and countries with economies in transition in order to advance research and the development of environmentally sound technologies and to transfer and adapt these technologies to local conditions;**

(b) **Facilitate the flow of information on environmentally sound technologies to forest-related educational establishments by developing links to information networks, and by strengthening cooperation with enterprises and public institutions using environmentally sound technologies;**

(c) **Encourage dissemination of forest-related environmentally sound technologies in the public domain;**

(d) **Strengthen collaboration with regional processes (Montreal Process, the Ministerial Conference for the Protection of Forests in Europe and the New Partnership for African Development, among others) that provide opportunities for the transfer of environmentally sound technologies;**

(e) **Facilitate technical assistance to domestic enterprises embarking on certification of industrial activities for sustainable forest management;**

(f) **Develop national policies on land and product tenures with a view to promoting participation of local communities;**

(g) **Insert a specific chapter on natural resources, including forests, into National Poverty Reduction Strategy documents. That process could rely on the ongoing National Forest Programme Facility in FAO, with the support of members of the Collaborative Partnership on Forests;**

(h) **Consider the role of financial incentives as a measure for promoting the transfer of environmentally sound technologies, such as financial incentives for companies importing sustainable timber, financial incentives for adopting sustainable forest management practices (e.g., reduced impact logging), tax rebates and financial incentives for companies promoting the recycling of**

wood, and financial incentives for companies importing equipment and products that contribute to sustainable forest management, among others;

(i) Enhance the access of small and medium-size enterprises to investment financing with priority on environmentally sound technologies;

(j) Explore the opportunities to introduce fiscal and financial incentives for private enterprises to adopt environmentally sound technologies;

(k) Consider developing an enabling environment, giving full consideration to country situations, for the transfer of proprietary technologies and technologies in the public domain and that also provides appropriate protection of technologies arising from genetic resources;

(l) Incorporate financing, technology transfer and capacity-building for sustainable forest management in national sectoral development plans and regional and local development plans;

(m) Promote public awareness among decision makers, local authorities, local communities, civic society and the public in general about the importance of utilizing environmentally sound technologies for sustainable forest management and the socio-economic benefits that they can generate;

(n) Raise awareness among decision makers on the capacity-building methods related to the transfer of environmentally sound technologies, as well as the potential of new transfer mechanisms to overcome capacity constraints (e.g., build-operate-transfer);

(o) Make use of existing methodologies for analysing the cost implications of replacing unsustainable technologies with environmentally sound technologies for sustainable forest management, with the assistance of members of the Collaborative Partnership on Forests;

(p) Explore how joint ventures and other public-private partnerships could promote the adoption of environmentally sound technologies. Urge Member States to explore and tap funding opportunities for the development of environmentally sound technologies arising under international conventions;

(q) Increase funding for the transfer of environmentally sound technologies in multilateral and bilateral agencies, as well as international organizations, and development of financial mechanisms for supporting the transfer of environmentally sound technologies;

(r) Strengthen environmental curricula in educational institutions for forestry and forest industries highlighting applications of environmentally sound technologies, as well as management of environmental and social impacts and risks of forestry operations;

(s) Undertake monitoring of the application of environmentally sound technologies for sustainable forest management, using a system of baseline measures, in order to access their suitability and effectiveness in achieving sustainable forest management;

(t) Remove perverse incentives reducing the profitability of sustainable forest management and undermining the demand for investments in environmentally sound technologies.

2. Recommendations to the United Nations Forum on Forests supported by members of the Collaborative Partnership on Forests

41. **The Ad Hoc Expert Group recommends that the United Nations Forum on Forests, supported by members of the Collaborative Partnership on Forests, support the improvement of the transfer of environmentally sound technologies as part of their implementation of the IPF/IFF proposals for action and, to this end recommends that the Forum:**

(a) **Invite Member States to consider hosting a country-led initiative on governance and a legal and regulatory framework which provide an optimal context for the transfer of environmentally sound technologies;**

(b) **Encourage support to public sector organizations in developing countries and countries with economies in transition to design appropriate transfer programmes on environmentally sound technologies;**

(c) **Invite Member States and members of the Collaborative Partnership on Forests, in particular the World Bank, GEF and the International Tropical Timber Organization, to facilitate and develop an assessment and exploration of how to expand support for microcredit linked to enabling the transfer of environmentally sound technologies, especially for local communities;**

(d) **Invite collaboration with the private sector to ensure that the full potential of instruments, such as the clean development mechanism, when the Kyoto Protocol enters into force, to support the transfer of environmentally sound technologies in the forest sector will be effectively used;**

(e) **Invite inputs from industry and technological institutions in evaluating the current status and future prospects for the transfer and development of environmentally sound technologies and formulate recommendations;**

(f) **Invite Member States to increase funding for the transfer of environmentally sound technologies in multilateral and bilateral agencies, as well as international organizations, and development of financial mechanisms for supporting the transfer of environmentally sound technologies;**

(g) **Invite Member States and the members of the Collaborative Partnership on Forests to continue its work related to information management and access to environmentally sound technologies, and, to this end, consider promotional events such as exhibits and fairs at relevant international forums;**

(h) **Invite Governments to provide domestic, bilateral and multilateral funding for research projects to develop environmentally sound technologies for the forest sector reflecting conditions in developing countries and countries with economies in transition; the projects should preferably involve partners from developing and developed countries as well as from public and private sectors; opportunities to encourage South-South transfer should be seized; special attention should be paid to transfer of research capacity to developing countries and countries with economies in transition and to the development of environmentally sound technologies for increasing the competitiveness of sustainable forest management outside high-yielding commercially attractive forests;**

(i) **Invite FAO, the Center for International Forestry Research and other research organizations, particularly those in developing countries and countries with economies in transition, to develop a field-based research programme on the adaptation of environmentally sound technologies for sustainable forest management to local conditions, supported by countries willing to participate in that research, with a view to energizing the transfer and effective use of environmentally sound technologies;**

(j) **Invite Member States and members of the Collaborative Partnership on Forests to provide support to research programmes targeted at identifying, refining and extending indigenous environmentally sound technologies that can be used to incorporate and preserve traditional forest-related knowledge. Where necessary, redesign training and research programmes to focus on development of environmentally sound technologies suitable for the poor, disadvantaged groups, and commercially less attractive forests, taking into account traditional forest-related knowledge;**

(k) **Invite Member States to provide support to producers of environmentally sound technologies in developing countries and countries with economies in transition to enable them to survive and benefit from opportunities provided by easier market access;**

(l) **Encourage support for more effective South-South exchange on the effective use of environmentally sound technologies through, inter alia, a CLI and a forum sponsored by one of the organizations of the Collaborative Partnership on Forests.**

D. Specific tasks undertaken on finance

1. Consideration of previous initiatives on finance

42. Those IPF and IFF proposals for action and Forum resolutions based on previous intersessional meetings in Pretoria, Croydon and Oslo are still valid. The International Conference on Financing for Development, held in Monterrey, Mexico, in 2002, and its follow-up provides an important intergovernmental consensus as a basic framework for discussion on ODA for financing of sustainable forest management. Valuable lessons learned are being accumulated from recent initiatives to mobilize financing for sustainable forest management including through innovative approaches, such as the new GEF Operational Programme on Sustainable Land Management, the Congo Basin Forest Partnership, the Asia Forest Partnership, and others.

43. The concepts of an institutional investment promotion entity drawing its resources from the private and public sectors and of a global forest fund, among others, were discussed at the meeting but did not result in any particular recommendation.

2. Assessment of the role and status of official development assistance directed at sustainable forest management

44. While commitments were made at the Monterrey Conference on Financing for Development, followed by significant pledges pointing to an increase of overall ODA, it has not led to an increased flow of ODA to the forest sector. The

inadequacy of current levels of ODA and the limited impact it has on sustainable forest management, were underlined by the experts.

45. The group emphasized the continuing importance of ODA to developing countries and countries with economies in transition. The group felt that increased ODA to sustainable forest management is essential. At the same time, the group recognized that there are only limited ODA funds likely to be targeted to sustainable forest management. Among the obstacles to channelling ODA and attracting additional resources for sustainable forest management, is that sustainable forest management is not identified and drawn on in Poverty Reduction Strategy processes, nor in other similar macro-level assistance strategies. The inappropriateness of short-term commitments and the project nature of current financing were identified as another set of particularly difficult hurdles because of the long-term nature of sustainable forest management.

46. On the other hand, the channelling of ODA to sustainable forest management requires mainstreaming sustainable forest management into broader ODA strategies, drawing on sources beyond the environmental budgets of the donors. There is a need to raise awareness of the overall benefits of sustainable forest management among donor countries to justify additional funding.

47. The contributions of sustainable forest management to poverty alleviation, food supply, water, energy and sustainable consumption should be recognized and effectively communicated to development financing institutions. Furthermore, there is an urgent need to recognize the social objectives of forest management and the importance of various forest values which merit a high priority in allocation of resources. They could have the benefit of increasing financing for forests from ODA and other sources.

3. Review of the effectiveness of existing international financing for sustainable forest management

48. The existing international financing flows to sustainable forest management include bilateral and multilateral ODA, foreign direct investment by the private sector and funding channelled through various innovative mechanisms.

49. Many countries are currently going through vital reform processes on land use and ownership, addressing the issue of insecure tenure. Innovations such as tailored incentive schemes and financing instruments that serve the defined needs of rural people and local communities can attract more financing for sustainable forest management at all levels. Those reforms have a fundamental impact on forest land and their sustainable management.

50. Harmonized practices and procedures of donor organizations through sector-wide approaches can improve aid disbursement and delivery and economize on high transaction costs for recipient countries to improve sustainable forest management.

51. The National Forest Programme Facility hosted by FAO and the Programme on Forests hosted by the World Bank, which were developed to provide an opportunity for catalytic support to developing countries and countries with economies in transition in the design and implementation of national forest programme processes and for supporting learning financing strategies, governance aspects of sustainable forest management, offer new approaches for international cooperation in financing and technology transfer.

52. International funding for sustainable forest management should be facilitated in the medium and long term beyond traditional project cycles owing to the nature of capacity-building needs and long periods needed for benefit generation. There are situations where long-term external financing will be necessary to manage forests with global ecological values which should be duly recognized by the development cooperation partners.

53. Numerous constraints for the effectiveness and efficiency of the current financing for sustainable forest management exist, including weaknesses in the institutional environment. Those constraints are found both outside and within the forest sector, as well as at the country and international levels, thus calling for integrated and intersectoral approaches to address them. They include:

- Inadequate infrastructure and human resource capacity
- Volatility in world trade in forest products
- Lack of good governance, including corruption
- Lack of adequate law enforcement
- Insufficient levels of political will to achieve sustainable forest management
- Weak capacity in marketing of forest products
- High transaction costs
- Delays and conditionalities in accessing funding from donor agencies
- Low priority for forests and sustainable forest management vis-à-vis other ODA priorities
- Lack of security in many forest areas and conflicts
- Lack of intersectoral coordinated approaches to address constraints of financing.

4. Assessment of country experiences in the mobilization of financial resources for sustainable forest management

54. Many country experiences were brought to the attention of the expert group. Many participants referred to the significant dependence of sustainable forest management on the decisions and actions taken outside the sector. That demands intersectoral coordination and cooperation.

55. Efforts have been made to integrate the forest sector into national planning and linking it to the agriculture, water, energy and environment sectors. The potential contribution of sustainable forest management to sustainable development of rural areas should be recognized and measures taken to revitalize deprived areas through integrated programmes (forest production, small and medium-size enterprise development, biomass energy, ecotourism, etc.).

56. National forest programmes and equivalent processes offer opportunities for domestic financial strategies and procedures that are needed to increase financing from a long-term perspective for sustainable forest management, including from ODA. That will continue to require new approaches and new skills, as well as coordination between international and national sources of financing.

57. It was noted that sustainable forest management can and should preferably be self-financing. However, self-financing in conservation areas, social forestry, community forests and forests providing sustainable livelihood for local people is problematic and often impossible. The need to address all the various aspects of sustainable forest management, ranging from commercial forestry to management of conservation and protection, was highlighted. It was also recognized that there are conflicts between economic and ecological functions of forests due to shortage of financial resources to cover the costs of environmental conservation. Improvements of market access as well as the development of new markets for forest products and services were recognized as tools to move sustainable forest management towards self-financing.

58. Funding for protected areas continues to be a significant challenge, as there appears to be limited possibilities for their effective management from national sustainable forest management budgets without external support. That problem seriously affects rural communities that rely on protected areas as a source of livelihoods. Innovative financing, including private investment, for management of protected areas and conservation of various values of forests could provide further resources.

59. International funding for sustainable forest management should be facilitated for the medium and long term beyond the traditional project cycles owing to the nature of capacity-building needs and long periods needed to benefit generation and for achieving sustainable forest management. There are situations where long-term external financing will be necessary and which should be supported by development cooperation partners.

60. Forest benefits are often regional and sometimes truly global, including carbon sequestration, climate change mitigation and biodiversity conservation. Financial responsibility therefore should be shared.

61. The countries that are planning reform of the forest sector to sustainable forest management are in particular need of increased international funding.

5. Assessment of the role of the private sector in financing sustainable forest management

62. The role of the private sector in financing of sustainable forest management is a vital complement to national and international public sector efforts. The group recognized that in order to attract and enhance private inflows, countries need to continue their efforts to pursue sound economic policies that achieve a predictable investment climate. The role of government remains essential regarding investments in sustainable forest management and will also be fundamental in creating an enabling environment, with full consideration of country situations, which provides adequate measures for risk mitigation and risk sharing. Those elements are equally important for ODA decisions, which also take into account the economic, social and environmental implications of the planned investments.

63. The group also stressed the need for the private sector to take into account not only their profit motive but also the developmental, social, and environmental implications of their investments. Countries should give priority to investors who have internalized both economic costs and social and environmental aspects in their business strategies.

64. The expert group noted the ongoing work by the World Bank and FAO to engage the forest products industry, NGOs and other stakeholders in dialogue to develop and implement sustainable forest management practices, including forest certification systems as tools to verify achievements.

65. Currently, private investors tend to invest in only a few countries and direct their investments into plantations rather than natural forest management. Those trends are not likely to change if the financial profitability in natural forests cannot be improved.

6. Exploring new and innovative approaches to attract increased financing for sustainable forest management

66. The group discussed a large number of either currently used or proposed innovative approaches which have been targeted at attracting increased financing for sustainable forest management. Payment mechanisms for environmental services offer a particular opportunity which is under active development in many countries.

67. The following examples of innovative approaches were identified, inter alia:

- National forest and other funds
- Payment mechanisms for environmental services, including carbon sequestration
- Conservation concessions and easements
- Tax incentives
- Debt-for-nature swaps (often in connection with national trust funds)
- Tourist tax
- Model forests
- Partnership arrangements and other similar strategies
- Bio-carbon fund
- Water taxation for forests.

68. The value of the information contained in the Collaborative Partnership on Forests Sourcebook for funding sources was noted.

69. Financing strategies for sustainable forest management should be considered at all levels (global, international, regional/subregional, national, subnational and local), taking into account lessons learned.

70. Urban areas are the main consumers of water produced in forested rural (watershed) areas. Taxation in the water bills of urban municipalities can be an additional instrument to obtain financial resources. Mexico's National Forest Fund has developed that instrument through its General Law on Sustainable Forest Management, which is directed towards promoting sustainable forest management projects. It has implemented taxation of water used by society, and the payment is provided to *ejidatarios* (holders of a share in common lands), indigenous communities and similar owners as a way of internalizing the costs of forest conservation for those communities through the valuation of the environmental services.

E. Recommendations to the United Nations Forum on Forests

1. Recommendations specific to sustainable forest management financing

71. **The United Nations Forum on Forests may wish to consider making the following recommendations to countries: the United Nations Forum on Forests, supported by the members of the Collaborative Partnership on Forests urges:**

(a) **Allocation of more financial resources to the forest sector either through national budget or through the establishment of national forest funds as part of national forest programmes, or their equivalent. Such funds could be used for payment for the environmental services of forests;**

(b) **Inclusion of the promotion of private investment in national sustainable forest management financing strategies and inclusion of all types of forests and forest activities;**

(c) **Promotion of public-private partnerships, including the involvement of local communities and NGOs, as a key instrument for financing sustainable forest management offering an effective instrument both for managing risks and raising funds for activities needed to achieve sustainable forest management;**

(d) **Where decentralization policies are in place, to gear them towards making local communities responsible for forest and wild life management.**

2. Recommendations directed at the national level

72. **The United Nations Forum on Forests may wish to consider making the following recommendations:**

Within the forest sector

The United Nations Forum on Forests, supported by the members of the Collaborative Partnership on Forests urges:

(a) **Countries to use national forest programmes, or equivalent processes, as basic instruments for enhancing public and private sector financing in sustainable forest management. National forest programmes should be accompanied by specific financing strategies identifying the role of various sources of funds and their allocation. Broad participation of stakeholders should be ensured in the preparation, implementation and follow-up;**

(b) **Countries to include sustainable forest management in their development and poverty reduction strategies or any equivalent mechanisms when appropriate;**

(c) **Countries to create enabling conditions for sustainable forest management through an improved policy and market mechanism. Regulation should consider financing aspects as it, if appropriately designed, can promote private investment in sustainable forest management;**

(d) **Countries to make policy development and investment decisions by the private and public sectors more transparent to facilitate the sharing of costs and benefits of sustainable forest management;**

(e) Countries to take measures to improve rent capture from forest management. These could include raising the fees collected when unduly low, and regularly adjusting their level over time, when appropriate, considering transaction costs. These measures should be developed in consultation with civil society;

(f) Countries to develop capacity-building programmes targeted at decision makers in forestry financing;

(g) Countries to explore ways to use available ODA for the forest sector more effectively in promoting sustainable forest management and building up respective national capacities. Capacity-building of decision makers in forestry financing to be the priority in financial resource allocation at the national level.

Outside the forest sector

The United Nations Forum on Forests, supported by members of the Collaborative Partnership on Forests urges:

(h) Countries to mainstream sustainable forest management in their national development strategies including poverty reduction strategy papers, where they exist. Countries should highlight the contribution of forests to poverty alleviation, the quality and well-being of the environment and all economic and social development issues, taking fully into account the sector's contribution to sustainable development;

(i) Countries to improve the legal and regulatory framework for environmental management to internalize externalities;

(j) Governments to put in place an enabling investment climate, with an effective institutional framework. This would involve removing broader institutional barriers to financing, taking into account their own country situation;

(k) Countries to put in place, with the assistance of stakeholders adequate mechanisms for intersectoral cooperation in order to mobilize increased financial and human resources.

3. Recommendations directed at the international level

73. **The expert group advises the United Nations Forum on Forests to consider taking the following actions:**

The United Nations Forum on Forests, supported by members of the Collaborative Partnership on Forests should:

(a) Urge multilateral and bilateral financial and development institutions working on sustainable forest management in their actions to harmonize their operational procedures so as to reduce transaction costs and make disbursements and delivery of ODA more flexible;

(b) Develop an initiative to work with donor countries to mainstream sustainable forest management as one of the important sectors for ODA allocation;

(c) Urge donor countries to fulfil their commitments of ODA, pursuant to the United Nations Conference on Environmental and Development and the Monterrey Consensus of the International Conference on Financing for Development and reinforced in the Johannesburg Plan of Implementation adopted at the World Summit on Sustainable Development, and to increase the share of ODA to sustainable forest management in developing countries;

(d) Prepare reliable data at the country level on the volume of ODA and other external sources of financial support for sustainable forest management;

(e) Update and expand the source book on financing for sustainable forest management, including accessing multilateral environmental agreements in support to sustainable forest management;

(f) Develop operational policies and conditionalities as risk management measures by international financing institutions and duly consider the implications for eligibility of different types of forest management and the diversity of country situations;

(g) Foster existing regional and subregional public-private partnerships for forests as useful mechanisms to mobilize financing for sustainable forest management in the participating countries;

(h) Facilitate the ongoing communication among the private sector, NGOs and Governments around the use of market-based instruments, such as certification of sustainably managed forests, including further discussions of ways to increase cooperation and minimize conflict;

(i) Invite the World Bank to engage the International Financial Corporation in a process with other members of the Collaborative Partnership on Forests to promote sustainable forest management as a way to attract private sector investment to forests, facilitate the transfer of effective technologies and advance the implementation of IPF/IFF proposals for action, including through analysing the linkages between key macro-economic policies and forest-specific programmes;

(j) Invite the GEF to facilitate the contributions of members of the Collaborative Partnership on Forests in advising on the development of the implementation aspects of the sustainable forest management component of the sustainable land management focal area, and in addition to coordinate a capacity-building initiative with countries qualifying for GEF grants for sustainable forest management with a view to increasing their financial support;

(k) Convene one or more regional meetings of representatives from concerned Governments and international organizations, NGOs and the donor community to carry out a preliminary assessment that identifies the existing sources and funding levels for protected areas and to develop approaches to increase funding for protected areas, including non-timber forest products and biodiversity values as essential components for funding;

(l) Explore ways to help national lending institutions and regional development banks incorporate sustainable forest management in their lending and grant programmes;

(m) Invite the World Bank, as a member of the Collaborative Partnership on Forests, taking into account the disruptions caused by structural adjustment loans, to incorporate the key principles and objectives of sustainable forest management in the revision of the Operational Policy for Structural Adjustment Lending, so as not to undermine sustainable forest management at the country level;

(n) Invite members of the Collaborative Partnership on Forests, donors and the international community to continue working on country, regional and international initiatives to support countries to address issues relevant to forest law enforcement and governance, upon request;

(o) Invite the World Bank to effectively incorporate sustainable forest management concerns in its Country Assistance Strategy documents, where appropriate.

Annex I

List of participants

Experts

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Mr. Hani Chaar, Lebanon

Ms. Eva Pizano, Mexico

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Ms. Tiina Vähänen, Food and Agriculture Organization of the United Nations

Mr. Nalin Kishor, ESSD Forest Team, World Bank

Other intergovernmental organizations, processes and convention secretariats

Mr. Andy Grandsone Khumbanyiwa, African Development Bank

Ms. Margarita Astrálaga, Ramsar Convention Secretariat

Major group entities

Ms. Natalie Hufnagl, Confederation of European Forest Owners

Mrs. Mary Coulombe, International Council of Forest and Paper Associations/ American Forest and Paper Assocation

Mr. William Street, International Federation of Building and Wood Workers

Mr. Richard Alexander Fuckner, International Forestry Students'Association

Ms. Anniina Kostilainen, International Forestry Students'Association

Mr. Robert Sagun, National Federation of Youth Organizations in Bangladesh/Young Volunteers for Sustainable Development

Annex II

Documentation

Working documents

E/CN.18/AC.2/2003/1	Provisional agenda and annotations
E/CN.18/AC.2/2003/2	Note by the Secretariat: Financing for sustainable forest management: current challenges in the changed financial environment
E/CN.18/AC.2/2003/3	Note by the Secretariat: Transfer of environmentally sound technologies for sustainable forest management: an overview

Background documents

A/58/216	Implementation of and follow-up to commitments and agreements made at the International Conference on Financing for Development
	Transfer of environmentally sound technologies for the sustainable management of mangrove forests: an overview
	Transfer of environmentally sound technologies from developed to developing countries
	Transfer of environmentally sound technologies for the sustainable management of tropical forests
	CPF Sourcebook on Funding for Sustainable Forest Management (www.fao.org/forestry/cpf-sourcebook)

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Common items for each session: intersessional work

Progress in the preparation for the meeting of the Ad Hoc Expert Group on Consideration with a View to Recommending the Parameters of a Mandate for Developing a Legal Framework on All Types of Forests

Note by the Secretariat

Summary

The present note describes the progress of the secretariat of the United Nations Forum on Forests in preparation for the meeting of the Ad Hoc Expert Group on Consideration with a View to Recommending the Parameters of a Mandate for Developing a Legal Framework on All Types of Forests. The secretariat is preparing documentation to assist the experts in undertaking the tasks mandated to them in Economic and Social Council decision 2003/299, in which the Council also decided that the present note would not be subject to discussion or negotiation at the fourth session of the Forum.

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I. Introduction

1. By its decision 2003/299, the Economic and Social Council established the Ad Hoc Expert Group of the United Nations Forum on Forests on Consideration with a View to Recommending the Parameters of a Mandate for Developing a Legal Framework on All Types of Forests and decided that the Forum should receive an information note at its fourth session on progress in the preparation of documentation for the meeting of the Group. It was also decided that the note would not be subject to discussion or negotiation at the fourth session of the Forum.

II. Ad Hoc Expert Group on Consideration with a View to Recommending the Parameters of a Mandate for Developing a Legal Framework on All Types of Forests

2. The Ad Hoc Expert Group was established for the purpose of providing scientific and technical advice to the United Nations Forum on Forests for its work on consideration with a view to recommending the parameters of a mandate for developing a legal framework on all types of forests.

3. At its meeting, the Ad Hoc Expert Group will adopt a report for submission to the United Nations Forum on Forests at its fifth session. The report will specify major outcomes of the Group's work, including proposals and recommendations for further consideration by the Forum.

4. The deadline for the nomination of experts to the Ad Hoc Expert Group is 31 March 2004. At its meeting, two co-chairpersons of the Group will be elected from among experts, one from a developing and one from a developed country.

A. Tasks

5. The Ad Hoc Expert Group was requested by the Economic and Social Council to undertake the following specific tasks:

(a) Assess existing regional and international binding and non-binding instruments and processes relevant to forests, including an analysis of complementarities, gaps and duplications, taking into account Forum resolution 2/3 on specific criteria for the review of the effectiveness of the international arrangement on forests;[1]

(b) Consider reports prepared by countries, member organizations of the Collaborative Partnership on Forests and the Forum secretariat, as well as outcomes of Forum sessions;

(c) Consider other outcomes of the international arrangement on forests, inter alia, the efforts of countries to implement the proposals for action of the Intergovernmental Panel on Forests (IPF)/Intergovernmental Forum on Forests (IFF), other expert group, country- and organization-led initiatives of the Forum and previous relevant initiatives as well as forest-related work undertaken by the member organizations of the Collaborative Partnership on Forests;

(d) Review the relevant experiences of existing forest-related and other relevant organizations and agreements, including multilateral environmental agreements and regional conventions and processes, focusing on complementarities, gaps and duplications;

(e) Provide for the consideration of the Forum at its fifth session, a balanced range of options with respect to the consideration with a view to recommending the parameters of a mandate for developing a legal framework on all types of forests.

B. Meeting of the Ad Hoc Expert Group

6. In accordance with Economic and Social Council decision 2003/315 of 19 December 2003, the meeting of the Ad Hoc Expert Group will be held from 6 to 10 September 2004 in New York.

C. Views of countries and member organizations of the Collaborative Partnership on Forests

7. In its decision 2003/299, the Economic and Social Council invited the member States of the United Nations Forum on Forests and member organizations of the Collaborative Partnership on Forests to submit views and information, by 31 January 2004, on the following preparations for the meeting of the Ad Hoc Expert Group:

(a) Presentation of factual and technical information, including updated information on existing regional and international binding and non-binding instruments and processes relevant to forests as well as on other relevant organizations and agreements, including multilateral environmental agreements and regional conventions and processes;

(b) Compilation of the progress made and catalysts and obstacles encountered by member States and member organizations of the Collaborative Partnership on Forests in implementing the proposals for action of IPF/IFF and the decisions and resolutions adopted by the United Nations Forum on Forests;

(c) Presentation and detailed description of a range of options, including their legal, financial and institutional modalities.

8. The Council also invited the secretariat of the United Nations Forum on Forests to compile the views submitted by the member States and the information provided by member organizations of the Collaborative Partnership on Forests in preparation for the meeting of the Ad Hoc Expert Group.

9. In accordance with decision 2003/299, in addition to its efforts to keep member States appraised of the progress in the preparation of documentation for the meeting of the Ad Hoc Expert Group, the Bureau of the United Nations Forum on Forests will undertake consultations with the member States by convening a one-day informal meeting in New York, immediately after the meeting of the Bureau prior to the fourth session of the Forum.

III. Progress in the preparation of documentation for the meeting of the Ad Hoc Expert Group

10. At the time of the writing of the present note, only a limited number of views and information had been provided to the secretariat by member Sates and member organizations of the Collaborative Partnership on Forests. The informal consultation described in paragraph 9 above had not yet taken place. However, taking into account the views that the secretariat has received to date, it plans to undertake the preparation of at least three substantive documents for the meeting of the Ad Hoc Expert Group, as described in the following sections. The secretariat will, to the greatest extent possible, draw upon the expertise available within the Collaborative Partnership on Forests in preparation for the meeting of the Group. The slotting date for document submission is expected to be around the end of June 2004. At that time the documents will be posted on the secretariat web site as advance unedited texts. Hard copies will be available from the secretariat upon request.

A. Presentation of technical and factual information

11. The document presenting technical and factual information is meant to assist the Ad Hoc Expert Group in carrying out the tasks outlined in paragraphs 5 (a) and (d) above. It will update already existing information contained in documents prepared in support of the work of IPF/IFF as well as work undertaken by the Collaborative Partnership on Forests as it relates to technical and factual information on forest-related organizations, instruments and processes. The document will take particular note of recent developments in forest-related instruments and processes. The document will probably exceed the mandated 8,500 word limit on documentation and will be issued as a background paper, in English only.

B. Progress in implementation

12. The document on progress in implementation is meant to assist the Ad Hoc Expert Group in fulfilling its tasks outlined in paragraph 5 (c) above. Some of the views submitted contained assessments of progress in implementation. National reports to sessions of the Forum of relevance to the thematic focus of particular sessions have also been submitted. The secretariat of the Forum will use this information in the preparation of a compilation on progress made and catalysts and obstacles encountered in implementing the proposals for action of the IPF/IFF and the decisions and resolutions of the United Nations Forum on Forests.

13. The document is also strongly related to the criteria set out in paragraph 4 (a) on implementation of IPF/IFF proposals for action of Forum resolution 2/3 on "Specific criteria for the review of the effectiveness of the international arrangement on forest".[1] A proposal for a process of this review is contained in document E/CN.18/2004/12, which will be considered at the fourth session of the Forum. While the process of the review will not be decided upon until the fourth session, the secretariat of the Forum will make sure that whatever information on progress in implementation is ready by the time that the meeting of the Ad Hoc Expert Group takes place is made available to the experts during their deliberations.

C. Range of options

14. The document on the range of options is meant to assist the Ad Hoc Expert Group in fulfilling its tasks outlined in paragraphs 5 (b) and (e) above. The views submitted to date contain, in some cases, detailed descriptions of a range of options, including their legal, financial and institutional modalities. The secretariat will compile these reports verbatim, in the language in which they were submitted, and make them available to the ad hoc expert group.

D. Other documentation

15. The Ad Hoc Expert Group will have before it an annotated provisional agenda for the meeting. The secretariat will also prepare a provisional organization of work in the form of an informal paper.

16. Economic and Social Council decision 2003/299 explicitly stated that the reports of the two other ad hoc expert groups established by that decision, one on approaches and mechanisms for monitoring, assessment and reporting and the other on the finance and transfer of environmentally sound technologies, would serve as inputs to the work of this ad hoc expert group. These meetings of the two ad hoc groups took place at Geneva from 8 to 12 December and from 15 to 19 December 2003, respectively. The reports of the groups are contained in documents E/CN.18/2004/2 and E/CN.18/2004/5. The reports will be discussed during the fourth session of the Forum and, together with any resulting outcomes from the fourth session deliberations, will be made available to the Ad Hoc Expert Group.

17. Some of the views received to date have also made recommendations regarding background information and documentation, which the experts may find useful to consult before the meeting. The secretariat will, as with the other two expert groups, post links to useful background information on the secretariat web site, www.un.org/esa/forests , prior to the meeting of the Ad Hoc Expert Group.

Notes

[1] See *Official Records of the Economic and Social Council, 2002, Supplement No. 22* (E/2003/42), chap. II.B.

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Implementation of the proposals for action of the Intergovernmental Panel on Forests/Intergovernmental Forum on Forests and the plan of action of the United Nations Forum on Forests: progress in implementation

Traditional forest-related knowledge

Report of the Secretary-General

Summary

The international community has recognized the contribution of traditional knowledge to sustainable forest management. The present report presents an overview of actions taken both nationally and regionally in response to the proposals for action of the Intergovernmental Panel on Forests and the Intergovernmental Forum on Forests and identifies related issues. The report recognizes the importance of inventorying, cataloguing, analysing and applying traditional forest-related knowledge in order to maximize its contribution to sustainable forest management. Progress has been made in this respect. Efforts are being made to directly involve holders of traditional forest-related knowledge in decision-making on forests through adaptive approaches. Policies, projects and programmes are exploring solutions to common problems by creating synergies between traditional forest-related knowledge and modern scientific knowledge. Furthermore, the effective engagement of local and indigenous communities in sustainable development initiatives has been found to contribute to the development and long-term application of sound technologies based on traditional forest-related knowledge. Several constraints have been identified to the protection, transfer and application of traditional forest-related knowledge and to the equitable sharing of the benefits from its use. Concerted action is needed by countries and the international community to overcome these constraints.

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I. Introduction

1. The multi-year programme of work of the United Nations Forum on Forests, adopted at its first session,[1] includes "traditional forest-related knowledge" on the agenda of the fourth session. The multi-year programme of work calls for reviewing the status of implementation of related proposals for action of the Intergovernmental Panel on Forests (IPF) and the Intergovernmental Forum on Forests (IFF) and a discussion of their means of implementation, and relevant "common items"[2] of the United Nations Forum on Forests.

2. The draft of the present report was prepared by the secretariat of the Convention on Biological Diversity, in cooperation with the member organizations of the Collaborative Partnership on Forests. Sources of information used for the preparation of the report included: national reports submitted for the fourth session of the United Nations Forum on Forests; information from members of the Collaborative Partnership on Forests; national and thematic reports on forest ecosystems submitted in 2001 to the secretariat of the Convention on Biological Diversity; voluntary national reports on "management of forest biodiversity, sustainable use to derive products and services, and benefit-sharing" submitted to the secretariat of the Convention on Biological Diversity in 2002;[3] a composite report prepared for the Convention on Biological Diversity on the status and trends regarding the knowledge, innovations and practices of indigenous and local communities relevant to the conservation and sustainable use of biodiversity;[4] reports from relevant organization- and country-led initiatives on IPF/IFF proposals for action on traditional forest-related knowledge; and information on traditional forest-related knowledge derived from the scientific and technical literature.

3. The present report uses the following definition of traditional forest-related knowledge: a cumulative body of knowledge, practice and belief, handed down through generations by cultural transmission and evolving by adaptive processes, about the relationships of living beings (including humans) with one another and with their forest environment.[5] Implicit to the definition are two important issues: (a) that traditional forest-related knowledge can be effectively used to understand and sometimes predict forest-related events upon which the livelihood or even survival of individuals depend; (b) that traditional forest-related knowledge is a holistic and dynamic process that changes with the availability of resources, demands of local communities, and interaction with various sectors of society.

II. Background

4. The international community has recognized the contribution of traditional knowledge to sustainable forest management as well as to the broader goals of sustainable development, including the conservation of biological diversity. The importance of traditional knowledge was recognized in the "Forest Principles"[6] and chapters 11 (Combating deforestation) and 26 (Recognizing and strengthening the role of indigenous people and their communities) of Agenda 21 adopted at the United Nations Conference on Environment and Development in 1992.

5. The Forest Principles recognized the importance of traditional uses of forests to sustainable forest management and to the livelihoods and cultural and social values of indigenous people, other forest dwellers and local communities. The

Forest Principles called for recognition of and support for the rights of these people and communities; the recording, development and use of appropriate indigenous capacity and local knowledge; and equitable sharing of the benefits arising from use of the knowledge. These principles were reflected in chapter 11 of Agenda 21.

6. In the intergovernmental forest process following the United Nations Conference on Environment and Development, both IPF and IFF dealt with traditional forest-related knowledge as a separate programme element. The International Meeting of Indigenous and Other Forest-dependent Peoples on the Management, Conservation and Sustainable Development of All Types of Forests was held in Leticia, Colombia, in December 1996, in support of IPF. The objective of the meeting was to formulate proposals for action on matters related to indigenous peoples and other forest-dependent people. The main output of the initiative was the Leticia Declaration, which calls on Governments, intergovernmental organizations and non-governmental organizations to recognize and take into account the rights, values, and viewpoints of indigenous and forest-dependent peoples, including traditional forest-related knowledge.

7. IPF and IFF agreed on a number of proposals for action related to traditional forest-related knowledge. These are listed, clustered and summarized in table 1. The summaries are neither negotiated text nor are they meant to replace negotiated text; they are provided to facilitate the analysis of the implementation of the IPF/IFF proposals for action.

Table 1
IPF/IFF proposals for action related to traditional forestry-related knowledge

Type of action called for	*Proposal(s) for action* *IPF: E/CN.17/1997/12* *IFF: E/CN.17/2000/14*
Advance the use of traditional forest-related knowledge for sustainable forest management	IPF: paras. 40 (a) and (b) and (g)-(n)
With the participation of indigenous people and local communities who possess traditional forest-related knowledge, inventory, catalogue, retrieve and apply traditional forest-related knowledge for sustainable forest management	IFF: para. 75
Develop intellectual property rights for traditional forest-related knowledge and promote equitable benefit-sharing	IPF: paras. 40 (c), (d) and (f) and 40 (o)-(r) IFF: paras. 74 (a)-(d)
Develop ways and means to promote effective protection of traditional forest-related knowledge and work with relevant international organizations and conduct studies to help to develop a common appreciation and understanding of the relationship between traditional forest-related knowledge and intellectual property rights and promote fair and equitable sharing of benefits arising from traditional forest-related knowledge, including consideration of payments	

Type of action called for	*Proposal(s) for action* *IPF: E/CN.17/1997/12* *IFF: E/CN.17/2000/14*
Technology transfer and capacity-building	IPF: para. 17 (g)
Promote participation of people who possess traditional forest-related knowledge in the planning, development and implementation of national forest policies and programmes	IPF: para. 40 (e)

8. The United Nations Forum on Forests Ad Hoc Expert Group on Finance and Transfer of Environmentally Sound Technologies, which met at Geneva from 15 to 19 December 2003, also recognized that technologies based on the traditional knowledge of indigenous and local forest communities may be a key ingredient of sustainable forest management. It further recognized that the effective engagement of these communities in sustainable development initiatives can contribute greatly to the development and long-term application of environmentally sound technologies (see E/CN.18/2004/5).

9. The value of traditional knowledge to the conservation of biological diversity has also been affirmed in article 8 (j) of the Convention on Biological Diversity.[7] The expanded programme of work on forest biological diversity adopted in 2002 by the Conference of the Parties to the Convention includes activities aimed at enabling indigenous and local communities to develop and implement management systems to conserve and sustainably use forest biological diversity.

III. Progress in the implementation of the IPF/IFF proposals for action related to traditional forest-related knowledge

10. The following section focuses on progress achieved in implementation of the IPF/IFF proposals for action indicated in table 1. It provides a brief overview of progress in implementation by countries, non-governmental and multilateral organizations, research centres, universities, and forest-related stakeholders.

A. Advancing the use of traditional forest-related knowledge for sustainable forest management

1. Inventorying and cataloguing

11. Ethno-biological knowledge has been extensively documented in many countries. The inventorying and cataloguing of traditional forest-related knowledge related to forest resource management and use is less developed, however, although there are several examples of countries in which significant progress is being made.

12. The application of traditional forest-related knowledge for achieving sustainable forest management is particularly well developed in areas with long histories of human settlement. In China, for example, traditional forest-related knowledge plays a crucial role, and there are extensive programmes for cataloguing traditional forest-related knowledge and measures that encourage communities to

maintain traditional forest-related knowledge. In India, the programme "People's Biodiversity Registers",[8] which operates across 52 localities in eight states, attempts to create formal institutions for the maintenance of traditional knowledge and to document how rural and forest-dwelling communities understand living organisms and their ecological setting. The World Agroforestry Centre Agroforestree Database provides information on the management, use and ecology of a wide range of tree species that can be used in agroforestry systems, most of which are based on traditional knowledge.

13. Traditional knowledge registries or databases that include traditional forest-related knowledge have also been developed in Australia, Canada, India, New Zealand, Peru, the Philippines, and the South Pacific region. Most have been compiled by communities or community groups for their own benefit. These registers can serve a number of purposes, including:

(a) To maintain and preserve knowledge;[9]

(b) To raise awareness of communities with respect to the values of traditional knowledge;

(c) To encourage the long-term management, conservation and promotion of natural resources;

(d) To promote information exchange among interested parties.

14. Resource mapping of landscapes familiar to local people helps to identify areas with outstanding biological and cultural significance from the viewpoint of the local communities. Pilot inventorying and surveying methods that explicitly include the knowledge of indigenous and local forest communities in woodland landscape functions and biodiversity assessments have been tested in Indonesia and Mozambique by the Center for International Forestry Research (CIFOR) as a basis for integrating community involvement into sustainable forest management plans.[10] Incorporation of traditional forest-related knowledge into geographic information systems for management planning purposes has been undertaken in some of Canada's Model Forests.

15. There is a need to strengthen capabilities and standardize methodologies for cataloguing traditional forest-related knowledge, particularly in those countries in which local and national systems for cataloguing and preserving traditional forest-related knowledge are currently in the initial stage of development. Traditional forest-related knowledge is built through long-term exposure of people to natural conditions and events, and thus may be seen as a library of information rather than simply "mere data".

2. Application of traditional forest-related knowledge for sustainable forest management

16. Many countries are developing methodologies to facilitate the integration of traditional forest-related knowledge into sustainable forest management. For example, Canada's Model Forest programme offers opportunities for aboriginal communities to incorporate traditional forest-related knowledge into forest management plans, and many of these communities have used traditional forest-related knowledge in the development of contemporary forest industry. In Indonesia, traditional forest-related knowledge was critical in designing sustainable

management systems for mangrove forests.[11] European communities use traditional forest-related knowledge in the conservation of species, coppice management, and construction and restoration of old wooden houses. Since 1990, the Joint Forest Management Programme in India developed cooperative agreements between village communities and the local Forest Department to protect a particular area of (state-owned) forestland and share the forest products. It is estimated that about 1.5 million hectares of forest are under joint forest management. Joint forest management formally taps into local knowledge and action.[12] In Africa, several Nigerian community forest reserves managed by indigenous people directly apply traditional knowledge practices.

17. Some small forest holders, local communities and indigenous groups have managed their forests and forest fallows for a long time as a source of protein (e.g., bushmeat), medicine, fruit, and timber, changing their management techniques as the forest fallows age. Some indigenous groups, for example, the Kayapo in Brazil, West African Kissidougou, and Runa Indians in Ecuador use their knowledge of forest succession to create forest islands to provide for their consumption needs.

18. The efforts of forest restoration and rehabilitation initiatives have also drawn upon traditional forest-related knowledge. The International Tropical Timber Organization (ITTO) guidelines for the restoration, management and rehabilitation of degraded and secondary tropical forests[13] include traditional knowledge in their principles. Forest restoration and rehabilitation activities in the Indian central Himalaya and southern China have used local knowledge in the selection of species and implementation of strategies to rehabilitate the land. This approach is more likely to succeed than previous rehabilitation efforts that did not take into account local needs.[14]

19. In some instances, however, the application of traditional forest-related knowledge alone may not be sufficient for attaining sustainable forest management on a larger scale. In Ecuador, because indigenous and local communities possessed traditional forest-related knowledge about the positive influence on some crops of localized fog capture by nearby forests, forest resource managers were able to understand better the importance of fog capture for water supply at the watershed level. This led to the conservation of forests that otherwise might have been converted to agriculture. Here, modern science was able to apply local knowledge to water conservation and forest management at the landscape scale. In this case neither traditional forest-related knowledge nor modern scientific knowledge alone was sufficient to guarantee maintenance of the forest cover in this locality. A sustainable solution was found in a combination of the two.[15]

20. It should be noted that application of traditional forest-related knowledge is sometimes suitable only for specific situations. At least in the tropics, the demands of sustainable forest management practices that are both socially appropriate and silviculturally effective can be satisfied in some cases by integrating, for example, "slash-and-burn" farming systems, as this pre-colonial land use practice is thought to have influenced current stand structure and composition of many forested locations.[16] Based on observations, high-intensity (but localized) disturbances that reflect traditional practices of farming are being applied, for example, in Bolivia's dry forests destined to sustainable timber production.[17] A similar approach is also being recommended for regenerating mahogany in Mayan forest stands, many of which are managed by local communities.[18]

3. Protection of traditional forest-related knowledge and promotion of equitable benefit-sharing

21. The ability of the indigenous people and local communities to maintain and enhance traditional forest-related knowledge relies to a large extent on creating opportunities for them to participate in forest-related decision-making. Effective protection of traditional forest-related knowledge relies to a large extent on government recognition of the rights of forest-dependent indigenous and local people and their contribution to sustainable forest management.

22. Both IPF and IFF have emphasized the need for better understanding the relationship between intellectual property rights and traditional forest-related knowledge, and to further explore options for supporting the application of intellectual property rights and/or other protection regimes for traditional forest-related knowledge and fair and equitable benefit-sharing from it. The results of a 2000 survey undertaken for the World Intellectual Property Organization's Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore, reveal two general approaches to the protection of traditional biodiversity-related knowledge (including traditional forest-related knowledge).[19] On the one hand, many countries believe that the current system of intellectual property rights adequately provides for the protection of traditional knowledge, and that no new system is necessary. On the other hand, a number of countries have pointed to various inadequacies in the system and therefore have either adopted or are in the process of drafting a sui generis system.[20] The survey contains 48 responses, with over half indicating that existing intellectual property rights can be used to protect traditional knowledge.[20]

23. Sui generis solutions show considerable variation. In assessing existing indigenous, local, national, regional and international sui generis systems for the protection of traditional knowledge, including traditional forest-related knowledge, it is clear that at least five approaches have been adopted or proposed in the development of such systems. These approaches can be briefly summarized as follows:

(a) Use of an existing suite of intellectual property rights laws with some modifications;

(b) A comprehensive sui generis system addressing issues of ownership and access to traditional knowledge, usually within a regime governing access to genetic resources and benefit-sharing;

(c) A comprehensive sui generis cultural heritage protection law based on a holistic approach to the protection of traditional cultural expressions, expressions of folklore, and traditional knowledge that incorporates, or can be extended to incorporate, provisions for the protection of traditional knowledge, innovations and practices;

(d) A comprehensive indigenous/local community rights law that deals with such issues as land rights, community governance, etc., but also incorporates provisions for the protection of traditional knowledge and access to genetic resources;

(e) A comprehensive national legislative, administrative and policy framework for the management, conservation and sustainable development of

natural resources, which incorporates provisions for the protection of traditional knowledge.

24. Indigenous and local communities have adopted a number of systems and strategies for handling and managing their innovations. These include using existing intellectual property laws, particularly those regarding trademarks and geographic indicators. Many indigenous and local communities, or organizations that represent them, have also established community-based registers of traditional knowledge, innovations and practices. Other strategies include the development of community-generated codes of ethics and protocols to govern any research undertaken by outsiders, which usually contain provisions for protection of confidentiality of information, conditions for publication of information, and sharing of benefits.

4. Emerging issues

25. Traditional forest-related knowledge may sometimes be applied on a larger scale than the local level in which it is practised. Thus, "scaling up" is being recognized by modern scientists as a way of promoting sustainability and ultimately cultural survival at larger spatial scales.

26. There is a growing interest in traditional forest-related knowledge-related research. However, any such research programme must demonstrate that its findings would accrue benefits to those communities and people who hold the traditional knowledge to begin with. Knowledge extraction therefore should be accompanied by a fair and equitable system of benefit-sharing. In addition, the definition of one community or group as holders of traditional knowledge must not be a pretext to deny that community access to modern knowledge on the grounds that traditional knowledge will be lost. A number of initiatives are improving international communication and facilitating the exchange of experience and expertise.[21]

27. The recent recognition of the special needs and values of forests which are considered sacred grounds and/or have been traditionally occupied by indigenous communities emerges with concurrent attempts at developing management guidelines. The need for planning and management of sacred sites and indigenous territories was discussed at the third meeting of the Convention on Biological Diversity Ad Hoc Open-Ended Intersessional Working Group on Article 8 (j), in December 2003.[22] Spiritual values of forests are also addressed in the report of the Secretary-General on social and cultural aspects of forests prepared for the fourth session of the Forum (E/CN.18/2004/8).

B. Means of implementation: technology transfer and capacity-building

28. The transfer of environmentally sound technologies raises a number of important issues with regard to traditional forest-related knowledge, including the impact of transferring modern forest-management technologies on traditional forest-related knowledge, and the modalities of transfer of technologies that are based on traditional forest-related knowledge.

29. Although technology is often crucial for the development of the forest sector, the current level of technology transfer, in particular to developing countries and countries with economies in transition, is constrained by infrastructure and capacity

limitations in the recipient countries as well as legal, administrative, institutional and policy barriers existing in the source countries.

30. An important issue is how the transfer of new, modern technology may affect the livelihoods of local and indigenous communities. Potential negative impacts of the transfer of these technologies on the livelihoods of indigenous and local communities may in turn have adverse consequences for the preservation and maintenance of traditional forest-related knowledge itself.[23] One of the major challenges of technology transfer to indigenous and local forest communities is how to incorporate new technologies into their cultures so that their traditional values can be maintained, if not enhanced, and so that the new technologies enable a more productive and sustainable relationship with the environment. In order to avoid negative consequences of technology transfer, the possible adverse impacts on traditional livelihoods need to be considered when developing legal, administrative and policy mechanisms for technology transfer at the national, regional and international levels.

31. Technologies derived from traditional forest-related knowledge, as well as modern environmentally sound technologies, can be transferred. In this regard, it is important that forest information systems for technology transfer and cooperation be closely linked to local and traditional forest communities. Such linking may be important for identifying and disseminating information on options for the transfer of traditional technologies.

C. Common items: promotion of the participation of people possessing traditional forest-related knowledge in decision-making processes

32. Integrated participatory application of the principles of sustainable forest management is more and more commonly applied. Several projects have been successful. Examples include the following:

(a) The Management Plans of the Waza National Park and the Dja Reserve in Cameroon have made provisions for the involvement of local communities in the management committee of the reserves;

(b) The National Initiative Working Group in New Zealand, established to administer and manage a system of national standards for sustainable forest management, includes a Maori chamber allowing them to provide input into the development of management strategies and policies;

(c) The Project for the Integrated Management of Andean Ecosystems brings together provincial and local authorities, the indigenous community and the local university in an initiative to sustainably manage the natural resource base of communal lands in the Cajamarca Valley in northern Peru for the social and economic benefit of the region's indigenous people;

(d) Wildlife management boards are a relatively common means in North America for integrating traditional knowledge into resource management through the participation of indigenous peoples. There are also a number of indigenous councils and government agencies responsible for environmental management that likely include traditional knowledge in their deliberations. One of the most effective

courses for the use of traditional knowledge — including traditional forest-related knowledge — in project management and in the management of protected areas is close cooperation between local populations and the managing authorities on an equal footing, guaranteeing local populations a full and effective role in policy- and decision-making.

33. While greater efforts are being made to include indigenous people in decision-making processes, there are still many situations where indigenous people are sidelined. Even where indigenous peoples have been included, for example in some co-management arrangements, concerns have been expressed that non-indigenous people dominate. There is therefore still a need to ensure that participants recognize indigenous knowledge as a valid source of information to draw upon when management planning is being undertaken at the local level.

IV. Conclusions

34. **Forest management systems based on traditional forest-related knowledge and often on small scales are not sufficiently recognized by researchers, managers, and policy makers. More standardized and systematic inventorying and cataloguing of traditional forest-related knowledge could lead to increased recognition by the modern scientific community and policy makers of contribution of traditional forest-related knowledge to sustainable forest management and to the well-being of forest-dependent people.**

35. **Policies, projects and programmes to create synergies between traditional forest-related knowledge and modern scientific knowledge are needed for exploring solutions to common problems. Although there have been some successes in integrating traditional forest-related knowledge into formal forest management planning, several constraints have also been encountered. The constraints include: inability to access traditional forest-related knowledge efficiently and effectively; lack of methods for integrating the two and insufficient use of existing methods, such as adaptive management; and insufficient communication between the holders of traditional forest-related knowledge and potential users of traditional forest-related knowledge.**

36. **Efforts in directly involving holders of traditional forest-related knowledge in management decisions through community-based, adaptive approaches could result in improved decision-making related to preservation of traditional forest-related knowledge and their contributions to sustainable forest management. The incorporation of traditional forest-related knowledge and the participation of holders of traditional forest-related knowledge in monitoring, assessment and reporting on forests may improve forest management information, help guide management decisions, and enhance benefit-sharing.**

37. **There has been some progress in the development of sui generis systems for the protection of traditional forest-related knowledge at the national and regional levels. However, some issues of sui generis systems need further consideration.[24] These include the international dimension of the protection of traditional knowledge, and the potential use of registries or databases as tools to assist in the protection of traditional knowledge.**

V. Points for discussion

38. The United Nations Forum on Forests may wish:

(a) To urge countries to continue to take necessary action to further safeguard property rights of indigenous people and local communities as a way of preserving traditional forest-related knowledge, including further development of national legislation aimed at protecting, promoting and facilitating the use of traditional forest-related knowledge and effective enforcement of such legislation;

(b) To call upon countries and regional and international organizations to further consider sui generis systems or other relevant systems in order to protect traditional forest-related knowledge as well as to ensure the fair and equitable sharing of benefits arising from the utilization of such knowledge;

(c) To urge countries to integrate traditional forest-related knowledge into formal education schemes in order to increase awareness and understanding and to help preserve and promote further application of this knowledge for forest management purposes;

(d) To invite the member organizations of the Collaborative Partnership on Forests to support national and regional actions that promote the preservation of traditional forest-related knowledge and its application in sustainable forest management;

(e) To urge countries and invite member organizations of the Collaborative Partnership on Forests and other relevant international organizations to work to strengthen communication and dialogue between holders of scientific forest-related knowledge and traditional forest-related knowledge, and to initiate joint research programmes that seek to evaluate and further develop the integration of scientific forest-related knowledge and traditional forest-related knowledge;

(f) To invite relevant organizations and stakeholders to consider the development of regional strategies to support traditional forest-related knowledge as a tool for sustainable forest management.

Notes

[1] See *Official Records of the Economic and Social Council, 2001, Supplement No. 22* (E/2001/42/Rev.1-E/CN.18/2001/3/Rev.1), part two, sect. B, resolution 1/1.

[2] The common items of the Forum are: multi-stakeholder dialogue; enhanced cooperation and policy and programme coordination, inter alia, with the Collaborative Partnership on Forests; country experiences and lessons learned; emerging issues relevant to country implementation; intersessional work; monitoring, assessment and reporting; implementation of the Plan of Action; promoting public participation; national forest programmes; trade; and enabling environment.

[3] Document UNEP/CBD/SBSTTA/9/9/Add.1 (see: www.biodiv.org).

[4] Document UNEP/CBD/WG8J/3/4 (see: www.biodiv.org).

[5] Adapted from F. Berkes, J. Colding, and C. Folke. "Rediscovery of traditional ecological knowledge as adaptive management". *Ecological Applications* 10:1251-1262 (2000).

[6] The full official name is the "Non-legally Binding Authoritative Statement of Principles for a Global Consensus on the Management, Conservation and Sustainable Development of all Types of Forests" (see *Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992* (United Nations publication, Sales No. E.93.I.8 and corrigenda), vol. III, annex III).

[7] Under article 8 (j), each Contracting Party shall, as far as possible and as appropriate:
(j) Subject to its national legislation, respect, preserve and maintain knowledge, innovations and practices of indigenous and local communities embodying traditional lifestyles relevant for the conservation and sustainable use of biological diversity and promote their wider application with the approval and involvement of the holders of such knowledge, innovations and practices and encourage the equitable sharing of the benefits arising from the utilization of such knowledge, innovations and practices.

[8] As part of the Biodiversity Conservation Prioritization Project of the World Wildlife Fund for Nature-India.

[9] Some countries have even noted that neglecting to document traditional knowledge has contributed to their erosion (e.g., Namibia).

[10] Sheil, D., et al. *Exploring biological diversity, environment and local people's perspectives in forest landscapes* (CIFOR, Bogor, Indonesia, 2002); and Lynam, T., et al. *Assessment of the value of woodland landscape function to local communities in Gorongosa and Muanza Districts, Sofala Province, Mozambique* (Center for International Forestry Research, Bogor, Indonesia, 2003).

[11] "Transfer of Environmentally Sound Technologies for the Sustainable Management of Mangrove Forests: An Overview", background document for the Ad Hoc Expert Group on Finance and Transfer of Environmentally Sound Technologies (see: www.un.org/esa/forests/adhoc-finance.html).

[12] Sundar, N., "The construction and destruction of 'indigenous' knowledge in India's Joint Forest Management Programme", in: *Cultural and Spiritual Values of Biodiversity* (United Nations Environment Programme, Nairobi, 1999).

[13] ITTO Policy Development Series No. 13.

[14] Saxena, K. G., et al. *Conservation Ecology*, vol. 5, issue 2 (2001) (see: www.consecol.org/vol5/iss2/art14); and Dachang, L., "Rehabilitation of degraded forests to improve livelihoods of poor farmers in southern China" (Center for International Forestry Research, Bogor, Indonesia, 2003).

[15] Becker, C. D. and K. Ghimire. "Synergy between traditional ecological knowledge and conservation science supports forest preservation in Ecuador", *Conservation Ecology*, vol. 8, issue 1 (2003) (see: www.consecol.org/vol8/iss1/art1).

[16] Evidenced by the presence of extensive *terra preta* soils (which are indicators of ancient slash and burn activities) that currently underlie many old-growth forest stands in Bolivian Amazonia and Cameroon (see *Journal of Biogeography*, vol. 30, issue 9: 1381-1390 [2003]).

[17] Putz, F. E., et al. "Forest science and the BOLFOR experience: lessons learned about natural forest management in Bolivia", in: D. Zarin, F. E. Putz, M. Schmink, and J. Alavalapati (eds.), *Working Forests in the Tropics: Conservation through Sustainable Management?* (New York, Columbia University Press. *In press*).

[18] Negreros, P., L. K. Snook, and C. W. Mize, 2003. "Regenerating mahogany (*Swietenia macrophylla*) from seed in Quintana Roo, Mexico", *Forest Ecology and Management*, vol. 183: 351-362.

[19] WIPO/GRTKF/IC/2/5, "Survey on Existing Forms of Intellectual Property Protection for Traditional Knowledge".

[20] A system specifically designed to address the needs and concerns of a particular issue. Calls for a "sui generis system" for traditional knowledge protection could mean a system entirely distinct from the current intellectual property system, or a system with new intellectual property, or intellectual property-like rights.

[21] UNEP/CBD/WG8J/3/4; and UNEP/CBD/WG8J/3/INF/1.

[22] The Group adopted the Akwé: Kon guidelines, a set of voluntary guidelines for the conduct of cultural, environmental and social impact assessment regarding developments proposed to take place on, or which are likely to impact on, sacred sites and on lands and waters traditionally occupied or used by indigenous and local communities. The guidelines were forwarded to the seventh meeting of the Conference of the Parties (Kuala Lumpur, Malaysia, February 2004) for final adoption.

[23] McNeely, J. A. "Cultural challenges to technological transfer". Paper presented at the Norway/ United Nations Conference on Technology Transfer and Capacity-Building, held in Trondheim, Norway, in June 2003.

[24] At its third meeting, the Ad Hoc Open-Ended Intersessional Working Group on Article 8 (j) and related provisions of the Convention on Biological Diversity examined the issue of sui generis systems and prepared recommendations to the seventh meeting of the Conference of the Parties, in February 2004, to carry out further work on this issue, in particular to further develop elements for sui generis systems. The issue of sui generis systems for the protection of traditional knowledge is also being examined by the WIPO Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore.